



STATE OF NORTH DAKOTA  
**OFFICE OF STATE TAX COMMISSIONER**  
Cory Fong, Commissioner

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To: North Dakota Sales, Use and Gross Receipts Tax Permit Holders

Subject: Local Tax Changes Effective April 1, 2007

Date: January 24, 2007

The following summarizes the local option tax changes effective April 1, 2007. More detailed information will be mailed to permit holders located within the cities where the changes occurred.

**Belfield**

The city of Belfield will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Belfield starting April 1, 2007 will be two percent (2%). In addition to the rate increase, the following change was made to the ordinance:

- Increased Maximum Tax (Refund Cap) to \$50.00 per transaction.

**Cando**

The city of Cando will increase its city sales and gross receipts tax by one percent (1%). The tax rate for Cando starting April 1, 2007 will be two percent (2%). In addition to the rate increase, the following change was made to the ordinance:

- Removed Maximum Tax (Refund Cap)

**Devils Lake**

The city of Devils Lake will increase its city sales, use and gross receipts tax by one-half percent (0.5%). The tax rate for Devils Lake starting April 1, 2007 will be two percent (2%). No other changes were made to the ordinance.

**Grafton**

The city of Grafton will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Grafton starting April 1, 2007 will be two percent (2%). No other changes were made to the ordinance.

**Leonard**

The city of Leonard will impose a city sales, use and gross receipts tax of one percent (1%) effective April 1, 2007. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 215.
- Does not include a Maximum Tax (Refund Cap).
- Does not provide for Permit Holder Compensation.
- Includes Contractor Limited Exemption when a Contractor's Certificate is used.

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### **Minto**

The city of Minto will impose a city sales, use and gross receipts tax of one percent (1%) effective April 1, 2007. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 216.
- Natural Gas sales are exempt.
- New Farm Machinery and New Farm Irrigation equipment are exempt.
- Includes Maximum Tax (Refund Cap) of \$25.00 per transaction.
- Includes Permit Holder Compensation (3% of city tax due; not to exceed \$83.33 per month or \$250.00 per quarter).

### **New Salem**

The city of New Salem will impose a city sales, use and gross receipts tax of one percent (1%) effective April 1, 2007. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 217.
- Does not include a Maximum Tax (Refund Cap).
- Does not provide for Permit Holder Compensation.
- Includes Contractor Limited Exemption when a Contractor's Certificate is used.

### **Steele**

The city of Steele will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Steele starting April 1, 2007 will be two percent (2%). No other changes were made to the ordinance.

### **Refund Cap**

Effective October 1, 2005, a change in North Dakota Century Code required retailers to begin collecting the full amount of local tax without regard to the Maximum Tax (Refund Cap) identified in the local jurisdiction's ordinance. When a refund cap applies, the purchaser may apply to the Office of State Tax Commissioner for a refund of the amount of city tax paid in excess of the Maximum Tax (Refund Cap) identified in the ordinance.

### **Contractor Limited Exemption**

Some local tax ordinances include a Contractor Limited Exemption. When this exemption applies, local tax is not due to the local jurisdiction where the purchaser takes possession of the materials unless the materials are consumed or installed within that local jurisdiction. For more details about this exemption, see the Contractor section of the Local Option Taxes by Location guideline.

More information on state and local sales taxes is available on our web site at [www.nd.gov/tax](http://www.nd.gov/tax). Rate charts are also available on our web site. You may also contact the Sales & Withholding Tax Section at (701) 328-3470 or by e-mail at [salestax@nd.gov](mailto:salestax@nd.gov).